KS ENERGY LIMITED
An Integrated Energy Services Hub

KS ENERGY GROUP DRILLING RIG "KS JAVA STAR" CONTRACT UPDATE

The Board of Directors of KS Energy Limited (the "Company" and together with its subsidiaries, the "Group") refers to the announcement dated 6 March 2015 in relation to the award of a contract for the "KS Java Star" jack-up drilling rig with an expected value of approximately US$7.2 million.

The Company wishes to inform that following various meetings with the client, and their request for deferring the start date of the contract, the client decided to terminate the contract as parties were unable to agree on a new start date.

The termination of the contract is not expected to have any material effect on the earnings per share and net tangible assets per share of the Company for the financial year ending 31 December 2015.

None of the Directors or Substantial Shareholders of the Company has any direct or indirect interest in the aforesaid transactions, other than for their respective interests, through their shareholdings and/or directorships, as the case may be, in the Company.

By Order of the Board
KS Energy Limited

Caroline Yeo
Company Secretary
7 July 2015

For more information on KS Energy Limited, please visit our website at www.ksenergy.com.sg

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